Annex A

The Local Government Pension Scheme (Scotland) Regulations 2018

The Scottish Government
Riaghaltas na h-Alba

RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

Organisation Name

Scottish Borders Council Pension Fund

Title Mr x Ms Mrs Miss Dr Please tick as appropriate

Surname

Robertson

Fore name

David

2. Postal Address

Council Headquarters		
Newtown St Boswells		
Melrose		
Postcode TD6 0SA	Phone 01835 825012	Email : David.Robertson@scotborders.gov.uk

1. Permissions - I am responding as...

Individual ☐ **/ Group/Organisation** ☑

Please tick as appropriate

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate ☐ **Yes** ☐ **No**

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available ☐

or

Yes, make my response available, but not my name and address ☐

or

Yes, make my response and name available, but not my address ☐

(c) The name and address of your organisation ***will be*** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your ***response*** to be made available?

Please tick as appropriate ☑ **Yes** ☐ **No**

(a) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate √ **Yes** **No**

Annex A

Questions: Quadrennial valuations

Q1. Should the local fund valuation cycles move from the current three year cycle to a four year cycle in line with the statutory valuation cycle?
If not, why not?

No. Lengthening the valuation would introduce greater risk for the LGPS particularly given multi-employer nature of many funds. This proposal has already been rejected in England and Wales and we can see no advantage to the LGPS in Scotland in moving to a four year cycle.

Q2. If the local and statutory valuation processes were to remain out of sync, do you think there will be any issues in providing the necessary data for the statutory valuation from 2024 on?

No. There are no anticipated difficulties for the fund in providing the data. There may be an impact on the Authority due to the level of data analysis required to complete both the FRS102 & IAS19, which are required annually and based on a roll forward of the valuation information, if the space between valuations is longer this will bring into question the use of the roll forward basis.

Q3. If local valuations were changed to a quadrennial cycle, would you expect to see additional powers to allow funds to undertake an interim valuation and/or reassess employer contribution rates in between valuations e.g. following covenant checks or a significant change in liabilities?

Yes, if local valuation periods were to be lengthened then there will be increased risk for funds. A local power to reassess employer contribution rates between valuations would be helpful, both for the whole fund and individual employer bodies.

Q4. If stakeholders are in agreement with moving to a quadrennial basis, views are also sought on what measures would be needed to ensure that a lengthening of the valuation cycle would not materially increase the risks that pension funds and their employers face?

We do not agree with the proposal; however, if this were to be enacted please see answer to Q3.

Q5. Are there any other issues or risks to consider in making changes to the local valuation cycle?

Any move to a four year local valuation cycle should only be undertaken following a full risk assessment of the possible impact and any changes required to legislation to address these. Robust three yearly valuation is a key control in the Fund's risk register

Questions – Suspension Notices
Local Government Pension Scheme (Scotland) Regulations 2018
Regulations 61(3) & (4)

Q6. Have administering authorities used the option of suspending the employer's liability to pay an exit payment when an employer leaves the scheme?

If the answer is ‘yes’ - how often have you used this option?

No

and b) has this action been effective in managing the exit from the scheme?

N/A

If the answer is ‘no’ - please provide reasons why

No requests have been made to the Fund.

and b) what other interventions are being used & why?

N/A

Q7. Does the wording of the regulations provide sufficient clarity for administering authorities and employers? If not, can you identify changes that might improve the provision?

The thrust of this question is not clear. The provisions relating to cessation of employers for the LGPS requires to be clarified.

Q8 a) Would guidance be helpful and effective in providing for a more consistent approach across the Scottish funds?

Flexibility re payment periods and security over assets would be two options that could be considered. Any flexibility should be designed to be cost neutral to remaining employers.

b) If so, what body is best placed to provide this guidance?

Q9. Are there any other mechanisms that could be considered to allow some flexibility in the settling of the employer's exit payment, whilst protecting other employers in the scheme?

Guidance helps to provide clarity and is always welcome. It will help to provide consistency.

LGA with reference to the SPPA.

Thank you for your comments.